

EXHIBIT C

1 UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN JOSE DIVISION
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6 IN RE: HIGH-TECH EMPLOYEE)
7 ANTITRUST LITIGATION)
8) No. 11-CV-2509-LHK
9 THIS DOCUMENT RELATES TO:)
10 ALL ACTIONS.)
11 _____)
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14 CONFIDENTIAL - ATTORNEYS' EYES ONLY
15 VIDEO DEPOSITION OF ED CATMULL
16 January 24, 2013
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19 REPORTED BY: GINA V. CARBONE, CSR NO. 8249, RPR, CCRR
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03:02:04 1 A. I have no idea.

03:02:06 2 Q. It would have been around the inception of the

03:02:08 3 arrangement, would it not?

03:02:10 4 A. I just don't know when it was.

03:02:11 5 Q. I got you. We're talking about a discussion or

03:02:15 6 an email that took place in 2006 here.

03:02:18 7 A. Correct.

03:02:19 8 Q. So almost 20 years after Pixar was separated

03:02:22 9 from Lucas, right?

03:02:24 10 A. Yeah. But I didn't write this, so....

03:02:27 11 Q. I got you.

03:02:29 12 A. Okay.

03:02:30 13 Q. We got them coming up.

03:02:32 14 A. Hmm?

03:02:33 15 Q. We have others coming up.

03:02:35 16 A. I'm sure you do.

03:02:37 17 Q. Let's take a look next at Exhibit 154.

03:03:36 18 A. Okay.

03:03:37 19 Q. All right. Do you recall the circumstances in

03:03:40 20 existence at the time that this email exchange took

03:03:42 21 place?

03:03:42 22 A. I do.

03:03:43 23 Q. I thought you might. Why don't you tell us.

03:03:45 24 A. Okay. So Disney acquired Pixar, and shortly

03:03:52 25 after acquiring us they also acquired Zemeckis' company

03:03:58 1 without telling us they were doing this.

03:04:00 2 Q. And what was the name of that company at the
03:04:01 3 time?

03:04:03 4 A. I'm not even sure.

03:04:05 5 Q. All right.

03:04:06 6 A. It was Bob Zemeckis, and he had a couple of
03:04:13 7 producers. Zemeckis is located in Santa Barbara, and
03:04:19 8 Zemeckis wanted to use motion capture as a technique for
03:04:22 9 doing computer animation.

03:04:25 10 And the -- the previous films he had made using
03:04:29 11 motion capture were with Sony Imageworks. Bob had a
03:04:34 12 very poor relationship and antagonistic relationship
03:04:37 13 with Sony. The studio bought them thinking that in fact
03:04:43 14 they were buying a motion capture studio, but, in fact,
03:04:47 15 they had no technology whatsoever or technology people.

03:04:50 16 So they bought them with a commitment to make
03:04:53 17 some films, which meant that they had to build a studio
03:04:55 18 in Northern California very quickly. But they were
03:04:59 19 going to be judged by that first film that came out,
03:05:03 20 which was Christmas Carol. So that meant that what they
03:05:08 21 brought as a production mentality was a short-term
03:05:12 22 solution to their problem.

03:05:14 23 It was very clear to me that what was going to
03:05:16 24 happen was that they would go out and they would offer
03:05:20 25 much higher salaries to everybody they could. And in

03:05:25 1 order to survive, they would have to do that. They were
03:05:28 2 forced to do that.

03:05:30 3 So while we were protected, they would go after
03:05:34 4 those others. They would bring in people, they would
03:05:39 5 pay higher salaries, it would be disruptive, very candid
03:05:46 6 about it, and it would all then collapse and the whole
03:05:49 7 thing would fall part. I was trying to prevent that
03:05:52 8 from happening.

03:05:53 9 So I'm saying if you go down this path where
03:05:56 10 they go out and raid ILM and Dreamworks and all these
03:05:59 11 other guys and they throw up these numbers, you are
03:06:02 12 going to cause a disaster in this industry. I didn't
03:06:05 13 know exactly what was going to happen. I just know when
03:06:08 14 these kinds of battles happen, it's bad for everybody.

03:06:11 15 And I can tell you that's exactly what
03:06:12 16 happened. And they collapsed. The whole thing was a
03:06:16 17 major fiasco. And it was a fiasco because they went
03:06:19 18 down this stupid path.

03:06:23 19 Q. When you say Pixar was protected, what do you
03:06:24 20 mean by that?

03:06:25 21 A. Because this company was part of Disney.

03:06:28 22 Q. And so they were forbidden, if you will, from
03:06:32 23 raiding Pixar?

03:06:34 24 A. Right. Well, I -- for that matter, everybody
03:06:36 25 at Pixar thought these guys were -- were going to fail.

03:06:41 1 I don't -- I wasn't even worried about that. But I was
03:06:44 2 worried that in going in and -- on a short-term basis,
03:06:48 3 basically screw everybody else up.

03:06:50 4 And one of the other companies they went after
03:06:53 5 did go out of business. We lost our friends over at the
03:06:57 6 Orphanage. And they got killed by this stuff.

03:07:03 7 So I'm sorry, but -- while I have
03:07:06 8 responsibility for the payroll, I have responsibility
03:07:09 9 for the long-term also. I don't apologize for this.
03:07:12 10 This was bad stuff. Did not belong in this industry.
03:07:16 11 They should never ever have done it.

03:07:22 12 Q. It sounds like you are still upset over it.

03:07:24 13 A. I am. This caused major damage. I mean, I
03:07:29 14 haven't gone into all the damage this caused. It
03:07:32 15 screwed up down at Burbank also. I mean, it just is a
03:07:38 16 major disaster.

03:07:40 17 Q. All right.

03:07:42 18 A. I call it a billion-dollar disaster.

03:07:44 19 Q. All right. Let's focus on what you said at the
03:07:46 20 time. You initiated this email exchange by writing to
03:07:52 21 Dick Cook at Disney. And what was his position at
03:07:56 22 Disney at the time?

03:07:56 23 A. He was the chairman of the studio.

03:08:00 24 Q. And you wrote, in part, that, "Regardless of
03:08:06 25 what John thinks about motion capture, we have a serious

1 I, Gina V. Carbone, Certified Shorthand
2 Reporter licensed in the State of California, License
3 No. 8249, hereby certify that the deponent was by me
4 first duly sworn and the foregoing testimony was
5 reported by me and was thereafter transcribed with
6 computer-aided transcription; that the foregoing is a
7 full, complete, and true record of said proceedings.

8 I further certify that I am not of counsel or
9 attorney for either of any of the parties in the
10 foregoing proceeding and caption named or in any way
11 interested in the outcome of the cause in said caption.

12 The dismantling, unsealing, or unbinding of
13 the original transcript will render the reporter's
14 certificates null and void.

15 In witness whereof, I have hereunto set my
16 hand this day: January 28, 2013.

17 ___X___ Reading and Signing was requested.

18 _____ Reading and Signing was waived.

19 _____ Reading and signing was not requested.

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GINA V. CARBONE

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